

**11/26/79 [2]**

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**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att	From Watson to The President (7 pp.) re: Coordinator of U.S. Refugee Policy and Program/ enclosed in Hutcheson to Watson 11/26/79	11/21/79	A
letter	From Helmut Schmidt to The President (one page) /enclosed in Hutcheson to Brzezinski 11/26/79	11/23/79	A
memo w/att	<del>From Brzezinski to The President (7 pp.) re: The Caribbean /enclosed in Hutcheson to Watson 11/26/79</del> <i>opened per RAC NLC-126-19-15-1-4 12/2/13</i>	11/16/79	A
memo	From Brzezinski to The President (one page) re: Visa Regulations /enclosed in Hutcheson to Brzezinski 11/20/79	11/16/79	A

**FILE LOCATION**

Carter Presidential Ppaers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 11/26/79 [2] BOX 157

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THE WHITE HOUSE  
WASHINGTON

*file*

11/26/79

Bishop Walker --

President Carter asked me  
to send you the enclosed copy  
of your letter which includes  
his note, with his best regards!

-- Susan *h* Clough

DIOCESE OF WASHINGTON



MOUNT SAINT ALBAN WASHINGTON, D. C. 20016  
(202) 537-6556

THE RIGHT REVEREND  
JOHN T. WALKER  
BISHOP OF WASHINGTON

7/15/79

Dear Miss Chung,

Ambassador Strauss indicated that I should send this letter to the president directly to you if I would like to see it. I do not have to see it. He has been present here at a major national program on at least two occasions. I believe in what he is doing and I want him to know that.

I would be most grateful therefore if you would call the enclosed to his attention.

Sincerely

John T. Walker

DIOCESE OF WASHINGTON



MOUNT SAINT ALBAN

WASHINGTON, D.C. 20016

(202) 537-6550

THE RIGHT REVEREND  
JOHN T. WALKER  
BISHOP OF WASHINGTON

November 21, 1979

My Dear Mr. President:

It is difficult to find the words to express my thanks to you for inviting me to accompany Mr. Robert Strauss and the others as part of the American Delegation to Sinai. There are several reasons for my gratitude. Perhaps I can list a few. First, I was and am deeply honored to have been able to represent you and our people on this important mission of peace. Second, as a former teacher of religion and history, I appreciate the religious and historic significance of the occasion and what it must mean to anyone of faith, Muslim, Christian or Jew, to visit Sinai and to be present for the announcement of the Tri-Faith Worship Center. I appreciate more than I can say the opportunity to meet and talk with a truly inspired man of God, a wise leader of his people and a man of peace for the world, the President of Egypt, Anwar Sadat.

I could offer other reasons and if I have your patience I would list one other reason for thanks and that is that it afforded me an opportunity to come to know and share with a group of great American people for seventy-two hours. The spectrum of experience ranging from the stewards who served us and Kevin and Robert who protected us all the way to the Honorable Robert S. Strauss and Mrs. Strauss was extraordinary. As one member of our party put it, "perhaps we should meet annually to renew our friendships and recall the experience."

Finally, we were reminded again and again by President Sadat of another man of peace, another man of faith without whose conviction, commitment and determination the peace initiatives might never have occurred. I think he named him as Jimmy Carter. President Sadat is right. He prayed for you often as do we. We are grateful for your leadership, your patience and your commitment to the causes of peace, freedom and justice. I salute you, with thanks.

Sincerely,

*John T. Walker*  
John T. Walker  
Bishop of Washington

The President  
The White House  
Washington, D.C. 20500

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*file*

THE WHITE HOUSE  
WASHINGTON

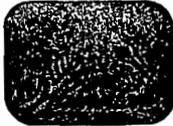
11/26/79

Marvin --

From the boss, with  
his best wishes!

-- Susan

*Susan*



## WARNERTON FARMS

Marvin L. Warner  
Owner

John T. L. Jones, Jr.  
General Manager

Jay Southworth  
Farm Manager  
Gerald Randall, D.V.M.  
Veterinarian

*Marvin -  
Thanks!  
J. C.*

17 November 1979

President Jimmy Carter  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C.

Dear Mr. President:

There was only one man I would rather see Secretary of Commerce other than myself and that man is Phil Klutznick! He is a wonderful choice and will be of great benefit to you and the country.

Congratulations on your selection.

Warmest personal regards,

Marvin L. Warner

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for Preservation Purposes**

MLW:rc

THE WHITE HOUSE  
WASHINGTON

11/26/79

Jack Watson

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

cc: Zbig Brzezinski  
Rick Hutcheson

*ees*

THE WHITE HOUSE  
WASHINGTON

11-26-79

Jack Watson -

Scan this & You  
& Bob see me  
this afternoon

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

- 1- Bill Rogers
2. Pete Vaky
3. Maurice Ferrie
4. Terry Sanford

UNCLASSIFIED  
with CONFIDENTIAL Attachment

November 16, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB*  
SUBJECT: The Caribbean

You have asked me several times in recent days what has been happening on our decisions and initiatives with respect to the Caribbean. I was surprised because as part of our overall effort, I sent you a memo on November 6 proposing a "people-to-people strategy" consistent with the approach you envisage for Central America and the Caribbean. I discovered last night that Rick Hutcheson sent this memo to OMB without informing us, instead of sending it in to you. OMB and Hutcheson have been sitting on the memo from November through yesterday, the 15th.

There apparently were no substantive differences between my memo and OMB's views on this. My memo along with a complementary approach which State has developed are attached. Also, we will be discussing with Rick Hutcheson his understanding of the procedures for dealing with such memos in an effort to avoid this kind of behind-the-scenes maneuvering and delay.

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UNCLASSIFIED THE WHITE HOUSE  
w/CONFIDENTIAL Attachment WASHINGTON

Nov. 16  
1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI 20  
SUBJECT: People-to-People Strategy for the Caribbean Basin

After our meeting on Central America and the Caribbean in mid-October, I asked State to prepare a country-by-country inventory of non-governmental activities in the Caribbean Basin. My idea was that a people-to-people strategy would be much more effective if it were based on mobilizing and expanding existing resources, rather than creating new ones. The package, which is attached, contains the following: an inventory of existing private organizations active in the area; a description of efforts by state and local government in the area; suggestions on specific needs of individual countries in the region and how these organizations could help meet these needs; and a list of key organizations and people who we can use as a core group for a broader effort.

Cy and I propose that you encourage the establishment of a new private non-profit "umbrella" commission to coordinate and expand the efforts of U.S. voluntary organizations in the Caribbean Basin. This group could be headed by a prominent person like Miami Mayor Ferre, who knows the region very well, and it should include leaders of these organizations plus state and local leaders (Jack Watson agrees that Ferre would be a good chairman.)

The most important organizations working in the region, including the Committee on the Caribbean and the Council of the Americas, have organized an important conference on the Caribbean in Miami on November 28-30. If you approve of the proposal described above, then we ought to try to key our efforts to using that conference for launching this new initiative. Specifically, we could begin with the following steps:

(1) Cy and I could meet informally with a core group of leaders of these organizations to seek their views and encourage them to organize such an effort.

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w/CONFIDENTIAL Attachment

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(2) We would draft messages for you to send to the Presidents of countries in the Caribbean Basin informing them of your idea for a people-to-people approach and asking their views on whether they would consider such an initiative helpful.

(3) On the eve of the Conference in the Caribbean, we could invite this entire group to the White House for you to meet with them and launch the Commission. The group could then use the Miami Conference, which will be attended by a number of Heads of State and other leaders from the Caribbean, to begin discussions, which would hopefully lead towards an overall plan for helping the region.

(4) Since you cannot attend the Miami Conference, perhaps you could tape a message which describes your policies and the people-to-people strategy, and that could be used as the keynote to the Conference. (As an alternative, the Vice President could speak on your behalf.)

(5) Our Ambassadors from the Caribbean area will be attending a Chiefs of Mission Conference in Washington on December 3rd and 4th. Perhaps they could be invited to a brief reception at the White House, where you could underscore your interest in the area.

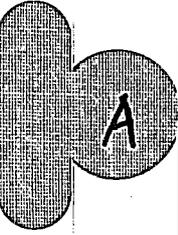
(6) A Conference on Central America, which will be attended by leaders in the area, will be held in New Orleans on February 28, and we could use that event for the same purpose of mobilizing voluntary support.

These are some ideas for ways to get the people-to-people strategy moving. While this will be very important as a means to show the peoples of the area that the U.S. wants to help, we should not delude ourselves that more public resources will not be required. Almost all of the key non-governmental organizations, for example, the Partners of the Americas, were started by the government with public aid, and while they have received an increasing amount of their funds from private sources, they still receive government money. We will make clear to them that little or no additional federal funds will be available for expanded activities, but we may need to be flexible on this point.

RECOMMENDATION:

That you approve the proposal for a private, non-governmental organization to coordinate and expand activities in the Caribbean Basin, and the steps described above.

Approve  \_\_\_\_\_ Disapprove  \_\_\_\_\_



THE SECRETARY OF STATE  
WASHINGTON

~~CONFIDENTIAL~~

November 15, 1979

MEMORANDUM FOR: THE PRESIDENT

From: Cyrus Vance *CV*

Subject: Proposal for Enhancement of U.S.  
Non-Government Activities in Central  
America and the Caribbean.

Because of your personal interest in helping the peoples of the Caribbean and Central America to cope with their economic and political problems, and your desire to engage the U.S. private sector in supporting economic development and democratic processes in the two regions, I have prepared a series of recommendations for your consideration. I believe that these recommendations, if implemented, will stimulate private organizations as well as state and local governments to intensify their activities in these two areas with little or no incremental cost to the United States Government.

There already exists an impressive number of U.S. citizen organizations active in Central America and the Caribbean. A number of others which command significant resources would, I believe, be responsive to an appeal from you to support programs in these countries. These include not only non-profit organizations, but also U.S. corporations with vested interests in the Caribbean and Central America.

Although only a handful of organizations are present in some of the smaller Caribbean islands, as many as 100 or more are involved to some extent in the larger countries. I have attached a list of active organizations at Tab 1. Further, under the aegis of Sister Cities International and the Partners of the Americas, 50 cities and several countries are linked to U.S. cities and states. An analysis of these programs is attached at Tab 2. According to our Ambassadors,

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Per, Rac Project

ESDN: NLC-126-19-15-1-4

BY *KS* NARA DATE 11/21/13

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-2-

many of these private organizations and state and local government programs have had a visible impact in the development and democratization processes of host countries.

In spite of the impressive work being done by these organizations, however, more can and should be done. I have prepared, by country, illustrative lists of urgent requirements in the Caribbean and Central America which are not now being fully met. These requirements were identified in consultation with AID, our Ambassadors and private sources. In every case I have suggested non-governmental organizations based in the United States which appear to have the resources and skills to address the identified need. The lists include both organizations already active in the country and those which would be becoming involved for the first time. Copies of the lists are attached at Tab 3. These lists should be considered as illustrative of the kinds of contributions private organizations could make rather than comprehensive lists of the needs of individual countries.

→ | What is required is a catalyst of some sort to bring these organizations together, to coordinate their efforts, and to stimulate activity by organizations not now engaged in outreach programs in Central America and the Caribbean. I believe you can serve as that catalyst. I recommend that you convoke a meeting of representatives of non-governmental organizations and state and local government representatives at the White House in the near future. A suggested list of participants is attached at Tab 4 which we consider broadly representative of the kinds of groups whose services are urgently needed in the Caribbean and Central America. The purpose of the meeting would be:

- to explain that you have assigned a high priority to the Caribbean and Central America, and to indicate your interest in private organization activities in the two regions;

~~CONFIDENTIAL~~

- propose the establishment of a new private non-profit organization which would be charged with expanding the role of voluntary organizations in the Caribbean and Central America. Between 50 and 100 founding members would be desirable, drawn from a wide range of organizations representing business, churches, foundations, the universities, service clubs and others. It could be headed by a prominent citizen with an acknowledged interest in Central America and the Caribbean. In addition to a Board and executive steering group, the umbrella organization could organize subcommittees for each country. Each of these subcommittees would visit its country, determine key needs, and stimulate U.S. private sector activity to address the need. The U.S. Government would support the organization's activities but not become directly involved;
  
- announce the establishment of an annual Presidential award for the organization judged to have made the greatest impact on the processes of democratization and development in the Caribbean and Central America. The award would be a medal or cash grant, or both. Nominations would be made by our Ambassadors. This would serve to focus public attention on private sector activities in the two regions.

I believe these suggestions, if implemented, would help stimulate activity, avoid duplication and make non-government organization activity more supportive of broad policy objectives of the United States Government. If you decide to implement these recommendations, it must be made clear to all concerned that the Administration is not attempting to control or direct the activities of private agencies and that no additional federal funds will be available for expanded activities. Members of your staff should consult with a core group of 15 - 20 private organization leaders before you convoke the larger meeting to insure that there are no misunderstandings on these two issues. A suggested list of contacts is attached at Tab 5.

~~CONFIDENTIAL~~

-4-

Attachments:

- Tab 1 - U.S. Private Organizations in the Caribbean and Central America, by Country
- Tab 2 - State and Local Government Efforts in Central America and the Caribbean
- Tab 3 - List of Immediate Requirements
- Tab 4 - Alphabetical Listing of Possible Participants at Core Group Meeting
- Tab 5 - List of Key Individuals for Preliminary Consultations

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

November 26, 1979

To - Dr. Brzezinski

From - Nick Platt <sup>NP</sup>

Mr. Kirbo should not answer this letter, assuming that he has replied to Nack along the lines we recommended. Presumably he has already told the Korean that the question at issue can only be answered by the Koreans themselves, and that a private channel is not appropriate. If Mr. Kirbo has not answered the first letter, the original points recommended still apply and should be sent Nack immediately. He is already using his entre' to Kirbo as a means of pushing a particular candidate for the interim election. In any event, the question of who will be interim President is moot. Kim Jong Pil has decided not to run for the interim Presidency.

✓

THE WHITE HOUSE  
WASHINGTON

November 26, 1979

NP

any reaction?

ZS

# Georgia State University

university plaza  
atlanta, georgia 30303

*To Pres. Carter  
need not return*

*ck-*

*2619  
info  
J*

November 13, 1979

Mr. Charles H. Kirbo  
King and Spalding  
2500 Trust Company Tower  
Atlanta, Georgia 30303

Dear Mr. Kirbo:

I am writing this memorandum to share with you a confidential, urgent information concerning the rapidly developing political situation in Korea which could have a far-reaching consequence for the Carter Administration.

Since I wrote you a memorandum dated November 10, I have learned of a rather disturbing situation surrounding the politics of succession to the late President. In anticipation of the election of a new President scheduled for prior to December 10, less than a month away, the same hard-line forces both in the military and in the government, that were responsible for the harsh measures under the previous government, are campaigning tirelessly to keep themselves in power by electing Acting President Choi to the post of Interim President. Mr. Choi himself has disavowed any political ambition beyond presiding over the caretaker government; but his inherited government, taking advantage of the monopoly of the instruments of government, especially the media, tries to perpetuate themselves in power. One such evidence involves their successful exploitation of the meeting Secretary Vance had with Mr. Choi while attending the funeral. The remarks attributed to Secretary Vance did not seem to go beyond expressing the American Government's desire to see a civilian government in Korea, but they have been obviously distorted to generate the impression that the Carter Administration favors Mr. Choi as the next head of the Korean government. It is very difficult to conceive that Secretary Vance intended to leave that impression

Nevertheless, many Koreans appear to have been affected by the media campaign. In my opinion, this clearly goes against the direction the United States would find comfortable with, as the overriding concern now is to remove from office those individuals who are closely identified with repressive measures of the preceding government. While they should assume the responsibility for the mistakes of the government and resign, they are doing the utmost to stay in office. Since they show

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Page Two:

no sign of doing so on their own volition, something needs to be done to force it to happen. So long as those hard-line elements retain the control of government, with Mr. Choi in the present position, no drastic change can be expected.

Mr. Choi, a career diplomat, is a very decent person himself; but, because he lacks his own political base and following, he is expected to become a mere figurehead dominated by the military and his lieutenants. It will take someone with his own political base to be his own man. With Mr. Choi, we are likely to see a de facto military government.

Ever since one of the serious contenders, a former Prime Minister and former Speaker of the National Assembly, threw his support behind Mr. Kim Jong Pil, the field has been narrowed down to Mr. Kim and Mr. Choi. Of the two men, Mr. Kim, who was elected three days ago the head of the governing party (please refer to the newspaper clipping), a former Prime Minister, is widely believed to possess the necessary qualities and the political base to keep the military and the government in check. Besides, the popular sentiments among the people and among the progressive elements in the military and in the government, seem to favor Mr. Kim. Truly, a host of serious problems are expected to attend Mr. Choi's election, because it will go against the prevailing wishes of the majority.

It is a prevailing view in Korea today that Mr. Kim is the one who can provide a forceful but democratic leadership to continue with the economic development and to preserve peace. Without a dynamic leader, Korea may be fated to repeat those tragic days of the early 1960's that were marked by a wave of student demonstrations that paved the way for the eventual military takeover.

And Mr. Kim's liberal, progressive bent has been amply demonstrated during the past decade. Even though he was the architect of the 1961 military coup, and was personally related to President Park through marriage (he is married to President Park's niece) he did not hesitate to differ with him politically by opposing President Park's third-term and the much controversial Yushin Constitution. Because of his forthright political convictions, he has been rather popular among students and intellectuals and has earned the respect of the people at the grassroots. In fact, only his personal relationship has saved him from prolonging his one-year exile in the United States; if he had not been related to the President, he would have suffered a much harsher fate. On the other hand, it has prevented him from opposing President Park even more implacably so as to establish himself as a potent political figure.

Page Three:

Mr. Kim's popularity among a large number of people in the country, his firm support among the grassroot people, students, and intellectuals, and his savvy political leadership within his party and the National Assembly, all have manifested themselves during the past several days as he was unanimously elected the head of the governing party by uniting the factious party--a feat not many ever thought possible. What is so notable about this is that his potential rival moved to nominate Mr. Kim, withdrawing himself from the race. Korea needs someone who can unite the country through persuasion and inspiration, not someone who will be a captive to the behind-the-scene forces.

Mr. Choi, on the other hand, is widely known for his self-effacing, and indecisive personality. There is an old saw making a round these days in Korea that depicts Mr. Choi's personality. According to that, he is the type of person who would knock a stone-bridge (symbolizing the sturdiness) three times; even then he would let someone else cross it first before he decides whether or not to cross it himself at all. In fact, those very innocuous qualities endeared themselves to the late president when he was named Prime Minister in 1975. If he had been a forceful, dynamic person, he certainly would not have been chosen in the first place. As a matter of fact, those qualities strike the imagination of his supporters in the top echelon of the military and in the government. With Mr. Choi at the helm of the government, not only will their jobs be secure, will they also be able to exert much influence, for his predilection for letting his subordinates do as they please is well known.

Even if he is elected, he will find it difficult to govern effectively, because the mantle of the headship of the governing party previously held by President Park went to Mr. Kim Jong Pil, as reported in the New York Times today. Even the Times recognized that Mr. Kim, as the leader of his party, ought to be at the helm of the government.

Some may argue that it does not matter who becomes the interim president for it may not last more than a couple of years, but that period is most critical for the future political development. This is the period when Korea's future pattern must be set, shedding the pernicious tradition of bringing an end to a government only by violence. The next leader must be able to govern effectively, so that he can stay in office until his term expires. An ineffectual leader could easily be overthrown in the midst of chaos. I am truly concerned about the Korean situation because it could present many vexing problems for the Carter Administration during the primary campaign season

Page Four:

and distract its attention away from other pressing problems.

It is easy to relegate matters relating to Korea to a secondary importance, dwarfed by other immediate issues; but the indifference to the Korean situation at this time could cost the United States very dearly in the long run. And I feel very strongly that the Carter Administration should try to steer the course of events in Korea to the direction that will lead to the lasting interests of the United States, while averting the undesirable and unnecessary consequences. Deep down in their hearts, the Korean people would welcome a friendly, gentle advice.

Very respectfully yours,

*Nack Young An*

Nack Young An

THE WHITE HOUSE  
WASHINGTON  
26 NOV 79

Jack Watson

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Hamilton Jordan

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ACTION  
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THE WHITE HOUSE  
WASHINGTON

11-26-79

J. Watson

Call Terry Sanford.

See if he's interested  
in full time (like  
refugee coordinator) or  
part time (Caribbean  
Coordinator) appointment

J. C.

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THE WHITE HOUSE  
WASHINGTON  
11/26/79

Secretary Miller

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

November 21, 1979

C

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Energy Savings Bonds

The opportunity offered the American public in your July 15 speech to purchase Energy Bonds is now ready for implementation. The Energy Savings Bond contemplated by Treasury would yield an extra 1/2 percent per annum bonus if held for eleven years. The initial maturities in 1991 would occur approximately at the expiration date of the Energy Security Corporation. Treasury has prepared the promotional material for such a bond which we propose to be announced at the scheduled meeting of the U.S. Industrial Payroll Savings Committee at the State Department on December 12.

Sales of Energy Bonds would commence on January 2, 1980, when the new Series EE bonds will go on sale for the first time. Series E bonds which are held for at least eleven years commencing after that date would also be entitled to the extra 1/2 percent per annum bonus. This would be done by designating E and EE bonds as U.S. Energy Savings Bonds effective January 2, 1980.

Under 31 U.S.C. 757c, your approval is required to pay the bonus.

Approve: \_\_\_\_\_ ✓

Disapprove: \_\_\_\_\_

Other: \_\_\_\_\_

J

Miller

G. William Miller

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<input type="checkbox"/>	WISE

THE WHITE HOUSE  
WASHINGTON

11/26/79

Stu Eizenstat

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

*Stu*  
*J*

November 25, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM:               Stu Eizenstat *Stu*  
                      Lynn Daft *Lynn*

SUBJECT:            Pending Agricultural Legislation

On Tuesday, November 27, 1979, Secretary Bergland is scheduled to appear before the Senate Agriculture Committee to present the Administration's position on pending farm legislation that would, among other things, increase the target prices for wheat and feedgrains. This memorandum describes the background to the proposal, evaluates the options, and seeks your decision regarding the Administration position.

Background

Target Price Concept.

As you know, the target price concept was designed to protect farm income from the effects of short-term price declines. When market prices for the first 5 months of the marketing year average below the target price, those producers who are in compliance with program requirements (including set-aside, if one is in effect) receive the difference between market price and target price in the form of a deficiency payment. Although this concept was first adopted in the 1973 Farm Act, no payments of any significance were made prior to the 1977 market year. In 1977 and again in 1978 deficiency payments in excess of \$1.5 billion were made. Because commodity prices have continued to strengthen over the past year, payments for the 1979 crop will be sharply lower. How much lower will depend on the outcome of the current legislative activity. With existing authority, USDA estimates payments of \$191 million, all to producers of cotton, barley, and sorghum.

You will recall, target price levels were the subject of protracted debate during the passage of the 1977 Farm Act. Some participants in this debate wanted to set target prices equal to total cost of production, including a return to management. We believe target prices should be set at a level that will enable producers to stay in business during short-term slumps in farm prices. That is, they should be set high enough to cover only those production expenses that must be met in the short-run. The Congress set target prices in the 1977 Act that were initially above short-run costs but less than total costs. Due to relatively stable input prices and high crop yields over the period 1975-78, per bushel production costs remained constant to slightly lower. As a result, target prices remained well above short-term cost during the period 1977-79. This is graphically illustrated for corn and wheat in the attached charts.

However, this is about to change. As a result of rapidly escalating input costs, led by fuel, fertilizer, and interest, the formula-determined target price for 1980 will fall significantly below short-run costs. These costs rose sharply this year and are expected to rise again next year. These higher costs will squeeze hard on farm income. Although it is too early to place a high degree of confidence in the estimate, on the basis of a normal yield assumption USDA is now unofficially forecasting a 20 to 30 percent drop in net farm income in 1980, mostly due to sharply higher production costs. Another factor responsible for the changed relationship of target price to cost is the target price adjustment formula itself. The yield adjustment has been excessively influenced by the unusually high yields of the past couple years. The formula is also slow to adjust for changes in production costs.

#### 1980 Crop Situation.

The disparity between the formula-determined target prices and the level of production cost was not evident in 1978 and 1979 due to our use of a discretionary authority provide in 1978. This authority permits the Secretary of Agriculture to set target prices above the formula-determined level to compensate for the effects of a cropland set-aside, when a set-aside is in effect. We have announced that we will not have set-aside programs for either feedgrains or wheat in 1980. As a result, we will not have authority to continue wheat, corn, and barley target prices at current levels. Thus, without new legislation, or a major administrative change, the target prices for each of these grains will be reduced sharply.

## The Legislative Situation

### The English Bill.

In early April, the House Agriculture Committee reported a bill (H.R. 3398) sponsored by Congressman Glenn English to increase wheat and feedgrain target prices by 7 percent for 1979 only. As you know, commodity prices increased sharply in the late spring, and the bill's appeal was somewhat diminished as a result. Despite this, there was no organized opposition and the measure passed the House by a voice vote (with 12 members on the floor) earlier this month. We expect that no 1979 deficiency payment would be made for wheat under the bill, although sorghum, barley, and perhaps corn producers who are eligible could benefit. The House-passed bill could add about \$194 million to budget costs.

The Administration opposed the English bill on the grounds that it was unnecessary; that it was introduced too late to have any beneficial effects on program participation -- its intended purpose -- because even then farmers had made their decisions regarding participation in the 1979 wheat and feedgrain set-aside programs; that it was unnecessarily costly; and that it was inequitable because those who were ineligible could do nothing to become eligible. Beyond our opposition in testimony, the Administration generally assumed a low profile in the House out of fear that a more vigorous stand would invite passage of an even less desirable measure.

### Senate Proposals.

We understand that the Senate Agriculture Committee plans to move fast and will probably report a bill on Tuesday, immediately following the hearing and a mark-up session. Interest in the Senate is focused on 1980 target prices. Two measures seem to be receiving most of the attention. One, sponsored by Senators Dole, Young, and Boren, would add another 7 percent increase in 1980 on top of the 7 percent increase in 1979 required by the House measure. The other proposal, sponsored by Senators McGovern and Melcher, would raise 1980 target prices even higher -- by 12.4 percent above the increased levels for 1979. These are expensive measures. The first would cost an additional \$1.0 billion in FY 1981. The McGovern/Melcher bill would add at least another \$0.5 billion.

At this time, Congressional strategy appears to be to pass a much more liberal bill in the Senate in the hope that a compromise acceptable to the Administration can be worked out in Conference. Tom Foley has told us that he intends to hold-out in Conference for a target price in 1980 at the same level as proposed in the English bill for 1979. That would result in a 7 percent increase in 1980 target prices. Yet, Foley is also under great pressure from the wheat producers in his district to support a level higher than this.

### Evaluation of Administration Options

Your advisors are unanimously opposed to the 7 percent increase in 1979 target prices, as provided in the English bill. This action is not justified by production cost increases. Such target prices would substantially exceed short-term costs for all crops, especially since the base from which they would be increased -- the announced target prices for all crops with a 1979 set-aside requirement -- have already been increased to compensate for those set-asides. The English bill levels for 1979 imply three adjustments -- the formula adjustment in the 1977 Act; the increase to compensate for the set-aside authorized by the 1978 Act; and the 7 percent English bill adjustment. In total, these adjustments raise the level by 14 to 22 percent above that indicated by the legislative formula.

Finally, to increase 1979 target prices by an additional 7 percent would establish a dangerous precedent. In working with the Congress to develop the 1977 Act, the Administration explicitly linked future adjustments in the target prices to changes in costs of production. By increasing 1979 prices by a single index that is unrelated to either cost of production or productivity, that important principal is broken and could be lost.

The situation regarding the 1980 target price is quite different, however. In the case of the 1980 target price, a modification of the current formula is clearly required. Your advisors agree that we should change the adjustment mechanism so that changes in short-term costs are more rapidly and more completely reflected in changes in target price levels. Thus, the 1977 Act formula will result in 1980 target prices of \$3.06 for wheat and \$2.08 for corn while we are estimating short-run costs that are at least 10 percent higher. And, if we were to re-establish the cost-target price relationship that existed during 1977 and 1978, a target price 20 to 25 percent higher would be required.

There are a couple ways to make this correction. One would be to accept the Foley approach and adopt a 7 percent increase in 1980. This would bring the target price for feedgrains about in line with short-term costs. However, it would result in a target price for wheat that is about 20 cents above short-term cost. Target price would still be low relative to total costs, however. Then, in 1981, a smaller adjustment that would bring the 1981 target price in line with short-term production costs, would be required. This approach is favored by the USDA and the DPS. Since this action will not affect market price, it will not be inflationary. It could result in a higher budget cost, although we believe this cost will be minimal since we expect market prices to remain above target prices into the foreseeable future.

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Another approach is to modify the formula in the 1977 Act through a combination of minor administrative and legislative changes. This would result in somewhat lower target prices, particularly for wheat in 1980. Target prices calculated on this basis would be somewhat lower than short-term production costs for feedgrains in both 1980 and 1981. This approach was favored by OMB, CEA, Treasury, Kahn, and Peterson.

While the differences between these approaches is comparatively minor, Secretary Bergland feels that it would be a serious mistake to propose a target price below our own estimate of short-term costs and that it would be extremely difficult to convince the Congress of this. We share this view.

DECISION

\_\_\_\_\_ Accept the Foley compromise (USDA, DPS)

\_\_\_\_\_ Make adjustments in the current formula (OMB, CEA, Treasury, Kahn, Peterson)

*I prefer Foley,  
but not to  
exceed <sup>our</sup> short  
production  
costs -  
JC*

In testifying before the Senate Agriculture Committee, it will be important for Administration representatives to have a clear understanding of the broad parameters of what is acceptable and what is unacceptable so that they can communicate this to Congress in a forthright manner. We believe there is at least a 50-50 chance that we will ultimately have to veto this legislation. Thus, it is very important that we identify a position that is defensible and that we stick to it. Therefore, we suggest that the Administration adopt the following conditions:

- \* We will not accept legislation that establishes a target price significantly in excess of short-term production costs.
- \* We will not accept legislation that departs from the concept of adjusting target prices on the basis of changes in yield and production costs.
- \* We will not accept legislation that fails to include the 1981 crop year, the final year of the 1977 Act.

None of the measures now being considered by the Congress meet any of these tests. We would indicate that failure to meet these

conditions would result in a veto. we also propose that the Administration advance its own proposal in the testimony before the Senate Agriculture Committee on Tuesday. This testimony would:

- \* Review the progress of the past 2½ years, including the significant role the farmer-owned grain reserve now plays.
- \* Recognize that the target price adjustor contained in the 1977 Act is in need of modification for use in setting target prices in 1980 and 1981.
- \* Reaffirm our support for the conceptual underpinnings of the 1977 Act, including the establishment of target prices at or near the level of short-term production costs.

If you concur with this general approach, we will continue working with USDA and the other affected agencies to prepare testimony that reflects this position.

DECISION

Agree 

Disagree

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## Disaster Payments

We expect the legislation reported by the Senate to also include a provision that will extend the disaster payments authority. As you know, one of the early conclusions of this Administration was that our agricultural disaster programs were themselves a disaster. The 1977 Farm Bill extended the Disaster Payments Program for two years as an interim measure, allowing time to develop a replacement.

For several years we have offered three separate kinds of natural disaster programs. We have a Federal Crop Insurance Program, but it does not attract enough producer participation to make it a viable, nationwide, natural disaster-protection program. The Disaster Payments Program offers free insurance for our six main crops. It is inequitable in its coverage and outlays average about \$500 million a year, but considerably more when weather is bad. And, we have Natural Disaster Loan programs that provide low-interest loans to persons who have crop or livestock-related natural disasters. These programs contain substantial subsidies.

After passage of the 1977 Farm Bill, we undertook an extensive study of natural disaster program options. In April 1978, you approved a proposal for a subsidized, all-risk crop insurance program that would replace the current disaster programs at no increase in cost.

The Administration's Subsidized Crop Insurance proposal was submitted to the Congress in mid-1978. It was difficult to even find a sponsor for this legislation. The Congress did not take the proposal up in 1978 and it was presented again this year in the same form.

In April 1979, after internal consultation, we concluded that there was insufficient support in the Congress to pass the proposal in its initial form and it was significantly modified.

The Senate passed a crop insurance bill in September which is acceptable to the Administration. In an effort to gain essential support in the House, the Administration agreed to an amendment that both the subsidized Crop Insurance Program and the Disaster Payments Program would be offered through 1981. Producers would be allowed to choose between them. No producer would be eligible for both.

However, in recent days a number of important supporters of the bill in the House have pulled back their support and are proposing to re-examine the bill early next year.

Because the Disaster Payments Program has now expired, the Senate Agriculture Committee can be expected to support an amendment to extend the program for at least one year and perhaps for two years. Your advisors agree that the Administration should not accept a measure that extends the Disaster Payments Program for an additional two years. However, there is also agreement that the program should be extended to mid-1980, to permit the House to follow through on their commitment to complete work on a compromise to the Senate-passed bill.

DECISION

Agree. We will support a brief extension of the Disaster Payments Program in order to give Congress an opportunity to consider the Crop Insurance bill next year. (USDA, CEA, DPS)

Disagree. We will veto any extension of Disaster Payments Program that does not include authority for a subsidized Crop Insurance Program.

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COMPARISON OF PROPOSED TARGET PRICES

Commodity and Crop Year	Target Price						Total Production Cost	Short-Run Production Cost
	<u>1977 Act</u> <u>Formula</u>	<u>Actual</u> <sup>a/</sup>	<u>Modification</u> <u>of 1977 Act</u>	<u>English</u> <u>Bill</u>	<u>Dole/Young/</u> <u>Boren Bill</u>	<u>McGovern/</u> <u>Melcher Bill</u>		
(dollars per bushel)								
<u>Wheat</u>								
1978	3.00	3.40	3.00	-	-	-	3.40	2.67
1979	2.98	3.40	3.14	3.64	3.64	3.64	3.71	2.90
1980	3.06	-	3.41	3.64 <sup>b/</sup>	3.89	4.08	4.40	3.44
1981	3.40	-	3.69	-	-	-	4.69	3.66
<u>Corn</u>								
1978	2.10	2.10	2.10	-	-	-	2.10	1.82
1979	2.06	2.20	2.12	2.35	2.35	2.35	2.33	2.00
1980	2.08	-	2.26	2.35 <sup>b/</sup>	2.51	2.64	2.76	2.37
1981	2.30	-	2.39	-	-	-	2.92	2.51

<sup>a/</sup> Actual target price exceeded formula target price under terms of the Emergency Agriculture Act of 1978.

<sup>b/</sup> These target prices represent the "Foley compromise" and would continue the 1979 prices, as determined in the English bill, for 1980.

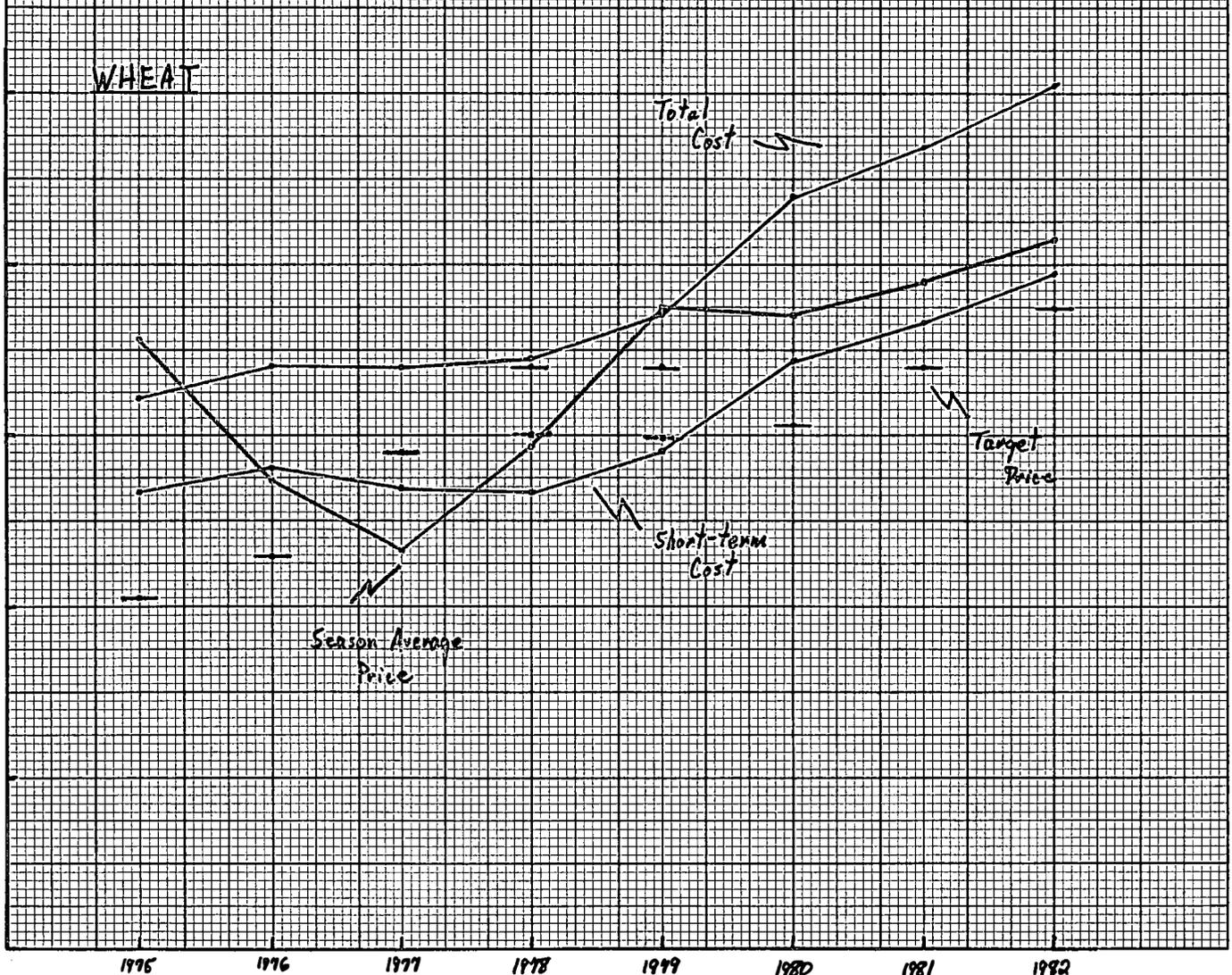
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# WHEAT

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THE WHITE HOUSE  
WASHINGTON

26 Nov 79

Al McDonald  
Hugh Carter

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

To Al McDonald: This is a  
decision which the President  
doesn't need to be bothered  
with. I suggest you discuss  
with Hugh and Lloyd.

5/18

ACTION TO AC  
 FYI MCD. This is  
 be decision which  
 Pres doesn't need  
 with. I suggest  
 you discuss w/  
 Hugh & Lloyd  
 R.J.

FOR STAFFING
FOR INFORMATION
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LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
FOR APPROPRIATE HANDLING
LAST DAY FOR ACTION

ADMIN CONFID
CONFIDENTIAL
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EYES ONLY

VICE PRESIDENT
JORDAN
CUTLER
DONOVAN
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MOORE
POWELL
WATSON
WEDDINGTON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE
ANDRUS
ASKEW
BERGLAND
BROWN
CIVILETTI
DUNCAN
GOLDSCHMIDT
HARRIS
KREPS
LANDRIEU
MARSHALL

MILLER
VANCE
BUTLER
CAMPBELL
<input checked="" type="checkbox"/> H. CARTER
CLOUGH
CRUIKSHANK
FIRST LADY
FRANCIS
HARDEN
HERTZBERG
HUTCHESON
KAHN
LINDER
MARTIN
MILLER
MOE
PETERSON
PRESS
SANDERS
SPETH
STRAUSS
TORRES
VOORDE
WISE

THE WHITE HOUSE  
WASHINGTON

November 21, 1979

*Phoned ok  
to Phil  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *H.C.*  
SUBJECT: Burial at Arlington Cemetery for  
Judge Harold Leventhal

I have reviewed Lloyd's memo and have discussed with the Office of the Secretary of Defense.

In my opinion, it is in line with burial exceptions that have been made historically.

Per your instructions of June 1977 regarding new grave plots at Arlington Cemetery, this is submitted for your consideration. I recommend you approve this request.

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THE WHITE HOUSE

WASHINGTON

November 21, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER *Lnc*

SUBJECT: Arlington Cemetery Burial for U.S. Circuit  
Court Judge Harold Leventhal

Attorney General Civiletti and Deputy Secretary of Defense, Graham Claytor join me in recommending that you grant a waiver to permit the burial in Arlington Cemetery of Judge Harold Leventhal. Judge Leventhal died unexpectedly yesterday. On Monday he sat on the three judge Circuit Court panel which approved the Federal Government's ban on demonstrations on such Federal property as Lafayette Square.

Harold Leventhal was a brilliant lawyer, who distinguished himself in government service, private practice and on the federal bench. He served as an attorney in the Office of the Solicitor General, was Assistant General Counsel for the Office of Price Administration, served from 1943-46 as a Lieutenant Commander in the U.S. Coast Guard, was on the legal staff of the Nuremberg War time trials, was Chief Counsel of the Office of Price Stabilization and Executive Officer on the Hoover Commission Task Force on Independent Regulatory Commissions. While in private practice, he served as General Counsel of the Democratic National Committee from 1952-1965. Judge Leventhal was one of the most distinguished members of the U.S. Court of Appeals for the District of Columbia. His judicial opinions and other legal writings are highly respected.

Although Harold Leventhal's distinguished governmental and judicial service does not meet the strict requirements for burial in Arlington Cemetery, Ben Civiletti, Graham Claytor and I feel that his extraordinary service to his country merits the granting of a waiver to permit burial in Arlington Cemetery.

*W*  
\_\_\_\_\_  
Waiver Granted  
(Recommended)

\_\_\_\_\_  
Waiver Denied

Mr. President: Harold and Kay Leventhal met while they both served in the Coast Guard in World War II, and this is why Kay would like the burial to be in Arlington.  
*Lloyd*

THE WHITE HOUSE  
WASHINGTON

November 20, 1979

R  
C

MEMORANDUM TO: President Carter  
Rosalynn Carter

FROM: Sarah Weddington *S.W.*

RE: ERA Litigation Pending

I am quite concerned about litigation pending on the ERA. I am today having delivered the attached memos.

Although I am not requesting your personal involvement at this time, I did want you to be aware of the problem.

Attachments

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NOV 21 1979

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

November 20, 1979

MEMORANDUM

FOR: BEN CIVILETTI  
Attorney General

FROM: SARAH WEDDINGTON *SW*

RE: Judge Marion Callister in State of Idaho vs Rear Admiral Freeman

REQUEST FOR ACTION:

I feel quite strongly that the Department of Justice should request that Judge Callister certify to the 9th Circuit Court of Appeals the question of whether he should recuse himself from hearing the above case. It is my understanding that your personal intervention may be necessary.

I request that you visit with Solicitor General Wade McCree about this matter and urge certification. If a decision against certification has been made by Judge McCree I request that you personally intervene to have the matter certified.

BACKGROUND:

The case, as you know from your experience at the Presidential Salute to the ERA, is the focal point of ERA activity at this time. At the White House, we have received 17,641 letters relating to this one case.

Emotions have been raised by the recent local case of Ms. Sonia Johnson, facing excommunication from the Mormon Church for her efforts on behalf of ERA. The case is being heard in the Church by a Regional Director at the same hierarchy level as Judge Callister.

The public perception of the President's strong pro-ERA stand would be seriously undermined if the Justice Department failed to request that the question be certified.

The timing is particularly significant. The leaders of the 16 largest women's organizations are in Washington to prepare for a meeting to be held tomorrow with top officials of OMB about the budget process.

An "impeccable source" in Wade McCree's office has informed persons I trust that a decision has been made not to request certification of the question. In the past this source has been accurate. Although I do not know how serious the talk is, at least three national women's groups are talking of calling for Judge McCree's resignation if that information is correct.

CONCLUSION:

I am today checking with other White House Senior Staff and asking their support for my position. I would appreciate your taking the action requested above.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

November 20, 1979

MEMORANDUM FOR SENIOR STAFF

FROM: SARAH WEDDINGTON *SW*  
RE: Judge Marion Callister in State of Idaho vs Rear Admiral Freeman

BACKGROUND

A question pending before the Justice Department is particularly politically sensitive. I feel quite strongly that the Department of Justice should request that Judge Callister certify to the 9th Circuit Court of Appeals the question of whether he should reclude himself from hearing the above case.

At the Presidential Salute to the ERA the women's groups lobbied Ben Civiletti on this issue which is the focal point of ERA activity at this time. At the White House, we have received 17,641 letters relating to this one case.

Emotions have been raised by the recent local case of Ms. Sonia Johnson, facing excommunication from the Mormon Church for her efforts on behalf of ERA. The case is being heard in the Church by a Regional Director at the same hierarchy level as Judge Callister.

The public perception of the President's strong pro-ERA stand would be seriously undermined if the Justice Department failed to request that the question be certified.

The timing is particularly significant. The leaders of the 16 largest women's organizations are in Washington to prepare for a meeting to be held tomorrow with top officials of OMB about the budget process.

An "impeccable source" in Wade McCree's office has informed persons I trust that a decision has been made not to request certification of the question. In the past this source has been accurate. Although I do not know how serious the talk is, at least three national women's groups are talking of calling for Judge McCree's resignation if that information is correct. The Civil Appeals Division of Justice recommended that the question be certified.

If you would like further information, please contact me or Linda Tarr-Whelan of my staff at 6585.

REQUEST FOR ACTION

I would appreciate your support for the following:

The Justice Department should be encouraged to certify the question regarding Judge Callister to the 9th Circuit.

AGREE \_\_\_\_\_

DISAGREE \_\_\_\_\_

COMMENTS:

THE WHITE HOUSE  
WASHINGTON

11-26-79

Sam

Call Jesse through  
Wednesday. He needs  
a contact in the  
W House -

J

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THE WHITE HOUSE  
WASHINGTON

11/20/79

Lloyd Cutler

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
FOR APPROPRIATE HANDLING
LAST DAY FOR ACTION

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION  
FYI

	VICE PRESIDENT
	JORDAN
✓	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
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	VOORDE
	WISE

THE WHITE HOUSE

WASHINGTON

November 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER *LC*

RE: Court of Military Appeals

The commission appointed to consider candidates for the vacancy on the Court of Military Appeals, chaired by the General Counsel of DOD, has recommended the appointment of Professor Robinson Everett of Duke University. The commission also recommends that Everett be designated Chief Judge. Professor Everett has an extensive background in military law and is well qualified for the appointment. He is strongly supported by Senator Morgan of North Carolina.

The vacancy on the Court of Military Appeals was caused by the appointment of Judge Matthew Perry, a black, as United States District Judge in South Carolina. Everett is a white male, as are the other two members of the Court. DOD has submitted legislation to add two judges to the Court, and the legislative outlook is positive. Assuming Congress adds two new judges, DOD has agreed that one of the new slots will be filled by a minority candidate, and that a woman will be considered for the other.

We recommend that you approve Everett's appointment and his designation as Chief Judge. The Secretary of Defense and Attorney General concur. Arnie Miller also concurs.

Approve

Disapprove

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CAREER RESUME: ROBINSON O. EVERETT

Education: A.B. (1947), J.D. (1950) Harvard (magna cum laude); LL.M., Duke (1959) Government Service: Commissioner, U.S. Court of Military Appeals (1953-55) (assigned to Judge Brosman) Counsel, Subcommittee on Constitutional Rights of Senate Committee on the Judiciary (1961-64); Consultant (1964-66). During this period worked under the guidance of the Chairman Senator Sam J. Ervin, Jr., on hearings, studies, and research which gave rise to proposals that were incorporated into the Military Justice Act of 1968.

Military Background: Active Duty, USAF 21 Aug 1951 to 27 Aug 1953. Currently holds the grade of colonel, USAF Reserve.

Law Teaching: Professor, Duke University Law School. Courses taught include: Criminal Procedure, and Criminal Law. Law faculty (1950-51) and 1956-present.

Private Practice: Since 1955. Member of law firm in Durham, N.C. and Raleigh, N.C. with office in District of Columbia. Extensive participation in civil and criminal trial and appellate practice.

Publications: Book - Military Justice in the Armed Forces of the United States (1956); 15-20 articles related to military law published in legal periodicals and various articles on other topics. (Bibliography can be furnished. The book and some articles have been cited by the Supreme Court and other courts.)

Bar Activities: Immediate Past President, Durham, N.C. Bar (1967-77). Member, American Law Institute. Member of American Bar Association Standing Committee on Military Law (1973-77). Chairman of American Bar Association Standing Committee on Military Law (1977-).

Public Service: Commissioner, National Conference of Commissioners on Uniform State Laws (1961-67, 1969-73, 1977-) - appointed by Governors Terry Stanford, Robert Scott, and Jim Hunt). Delegate, Democratic National Convention (Kansas City, December 1974).

THE WHITE HOUSE  
WASHINGTON

26 Nov 79

FOR THE RECORD:

FRANK MOORE RECEIVED A COPY OF THE  
ATTACHED. PHIL WISE HAS SEEN.

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THE WHITE HOUSE  
WASHINGTON

*Will see  
personally  
J*

CONGRESSIONAL TELEPHONE CALL

TO: Senator Robert Morgan (D-North Carolina)

DATE: As soon as possible

RECOMMENDED BY: Frank Moore *F.M.*

PURPOSE: To ask him to vote with Stennis when and if there is a vote on a SALT report or any resolution which would send the Treaty back to you for renegotiation.

BACKGROUND: We are aware that Jackson and the Republicans on the Armed Services Committee are trying to get the Committee to adopt a negative report on SALT. Stennis has been working behind the scenes to determine where his members stand and to urge them to wait for the Floor debate before taking a position.

It looks as though Stennis can only count on 7 votes. Morgan is one of them, and we think he needs bolstering up.

- TOPICS FOR DISCUSSION:
- I understand that SAS is considering a negative report on the Treaty and a resolution to return the Treaty to me for renegotiation.
  - I hope you will give your support to Chairman Stennis so that he can prevent a negative vote which would prejudice the Floor debate.
  - I believe we have a good Treaty, and we look forward to debating it on its merits on the Floor.

DATE OF SUBMISSION: November 16, 1979

THE WHITE HOUSE  
WASHINGTON  
11/26/79

Stu Eizenstat

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: The Vice President

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	FOR APPROPRIATE HANDLING
	LAST DAY FOR ACTION

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION  
FYI

✓	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
✓	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE  
WASHINGTON

11/23/79

Mr. President:

No other comments from  
your Senior Staff.

Rick/Bill

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THE WHITE HOUSE

WASHINGTON

November 20, 1979

*Fritz -  
Quick advice -  
You may go  
J*

*Fritz says hold  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Northern Tier Decision

The purpose of this memo is to seek your decision on the timing of the Northern Tier pipeline decision.

The statute governing the Northern Tier pipeline requires a Presidential decision within 45 days after submission of the Secretary of the Interior's report, unless you decide to seek an extension. The Secretary's report was submitted on October 15, thus the first deadline for your decision is November 29. However, the statute also allows an extension of the deadline for up to 60 days at your discretion. You need only submit a letter to the appropriate Congressional committees to extend the time period.

You are scheduled to be in Seattle on November 30. Senator Magnuson has expressed a strong view that you should not make your decision before your trip to Seattle. His reasoning involves the nature of the trip and the controversy surrounding the issue in Seattle. While there is strong support for the pipeline in Washington state, there is vocal minority, particularly in the Seattle area, who oppose it on environmental and economic grounds. A decision prior to your Seattle trip could cause enough adverse reaction to detract from your visit. A pending decision would encourage opponents of the pipeline and cause supporters to feel an extra desire to make your visit to Seattle pleasant.

Secretary Andrus on the other hand believes that the decision should be made as soon as possible in order to relieve the growing pressure to approve a route and get the project moving. He also cites the strong support in the state, in the Northern Tier states, in the Congress, among labor unions, the construction business, and Chambers of Commerce as a reason to make the decision before going to Seattle.

Frank Moore and I recommend that your decision be made after November 30. We believe that you will benefit more in Seattle

from a pending decision, and that those who support the pipeline are already sufficiently encouraged by Andrus' recommendation that the lack of a decision will not cause an adverse reaction. Also, it is perfectly supportable for you to say that before reaching a final decision, you wanted to hear the views of people in Washington first hand -- which, in fact, you should do, since the decision you will have to make is a close and difficult call.

\_\_\_\_\_ Approve delaying Northern Tier Pipeline  
decision until after November 30

\_\_\_\_\_ Make decision before November 29

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# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

November 15, 1979

## Memorandum

To: The President  
From: Cecil D. Andrus

I am aware that Senator Magnuson has requested that you defer your Northern Tier Pipeline decision until after your visit to the State of Washington. This is a decision that has political ramifications because the business community, organized labor, and, I suspect, a vast majority of the citizens of Washington favor the construction of the American route. Therefore, it would appear to me that unless Senator Magnuson is supportive of your reelection, it makes a great deal more sense to make the announcement before the trip in order to receive the accolades of those persons and organizations that are supportive.

I get a little tired, Mr. President, of those people who keep making demands of you, but are never willing to support the efforts that you make. It is your decision, of course, and it really won't make that much difference in the procedural sense, but if you diminish your entrance into the State to pacify Maggie, he should give you something in return.

*Cecil D. Andrus*

ID 795174

THE WHITE HOUSE

WASHINGTON

DATE: 20 NOV 79

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

AL MCDONALD

SUBJECT: EIZENSTAT MEMO RE NORTHERN TIER DECISION

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

P  
done  
J

Mr. President:

The marine corporal's name is Steven J. Crowley. He entered the service in July 77. His mother is Georgene Crowley and lives in Port Jefferson, NY on Long Island.

The operator has the #.

Phil

Crowley is pronounced Crawley.

CAPT CLENDENNING

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3.45.50  
2: the printer  
F-95.

THE WHITE HOUSE  
WASHINGTON

NOTE TO FRANK

FROM: Dan Tate

C

At 3:10 p.m. the Senate voted to table the Bumpers Amendment. The vote was 50-32. The Bumpers Amendment (which was co-sponsored by Senators Metzenbaum and Kennedy) would have substituted the House-passed windfall profits tax bill and would have added a trust fund into which all "excess" revenues would have gone and which would have been devoted to social security tax relief.

The Democratic leadership supported tabling.

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THE WHITE HOUSE  
WASHINGTON

11/26/79

Frank Moore

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

5237

1:30 PM

MEETING WITH SENATOR WARREN MAGNUSON

*Frank*

Monday, November 26, 1979  
1:30 p.m. (30 minutes)  
The Oval Office

*Bob was  
with us*

From: Frank Moore *FM/BB*

*J*

I. PURPOSE

To discuss SALT.

II. PERSONAL INFORMATION, PARTICIPANTS, PRESS ARRANGEMENTS AND BACKGROUND

A. Personal Information

Wife's Name: Jermaine

Children: Juanita Garrison

Home Town: Seattle, Washington

Committee Assignments:

Appropriations, Chairman  
Budget Committee (2)  
Commerce, Science and Transportation (2)

B. Participants: Senator Warren Magnuson.

C. Press Arrangements: White House Photographer

III. BACKGROUND

A. SALT Concerns: We have not had a great deal of contact with Magnuson because he has not wanted it. As a result of our initial contact with him, we believe that his instincts are for the Treaty. Cranston believes he is with us. Byrd, however, is concerned that Jackson is working on him. He voted for both the 3% and 5%.

We believe your meeting could bolster his resolve for the Treaty. If you get the sense that he is solidly with us, it would be extremely useful to get him to speak out publicly and thereby isolate Jackson. We, however, get some sense that he is very nervous about his reelection and will not want to be too visibly disagreeing with Jackson.

If Stennis comes out, that will help Magnuson.

B. Additional Issues and Personal Information:

The Senator may bring up the Northern Tier Pipeline issue and he will want to know your position. You may reply by saying that you haven't made up your mind on the issue. Also the Northern Tier Pipeline should be referred to as the West East Pipeline not the Northern Tier Pipeline.

# the ch CENT

the christian CENTURY

DECEMBER 28, 1979

JAMES M. WALL  
EDITOR

407 SOUTH DEARBORN STREET  
CHICAGO, ILL. 60605  
312 - 427-5380  
HOME 312 - 279-7166



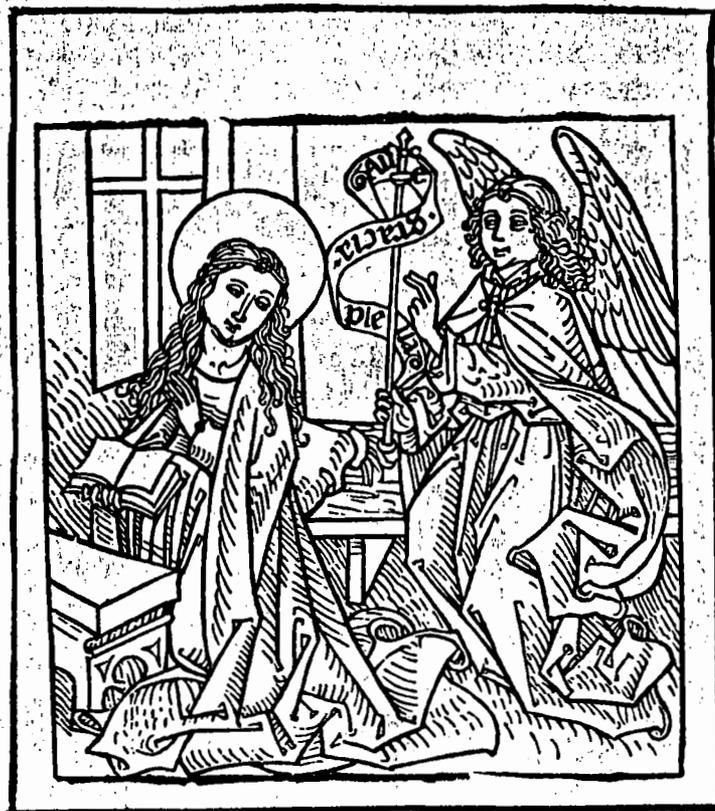
C

## Seeds of Resurrection: A Personal Reflection on Two Tragedies

Trevor Beeson

## A Fundamentalist Social Gospel?

Robert M. Price



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Meditation: Advent  
into the Everyday

Violating Embassy  
Sanctity

Thank God for the  
Train Stations!

C  
Q

CONGRESSIONAL QUARTERLY  
**Weekly Report**

Vol. 37, No. 47

Pages 2629-2700

Nov. 24, 1979

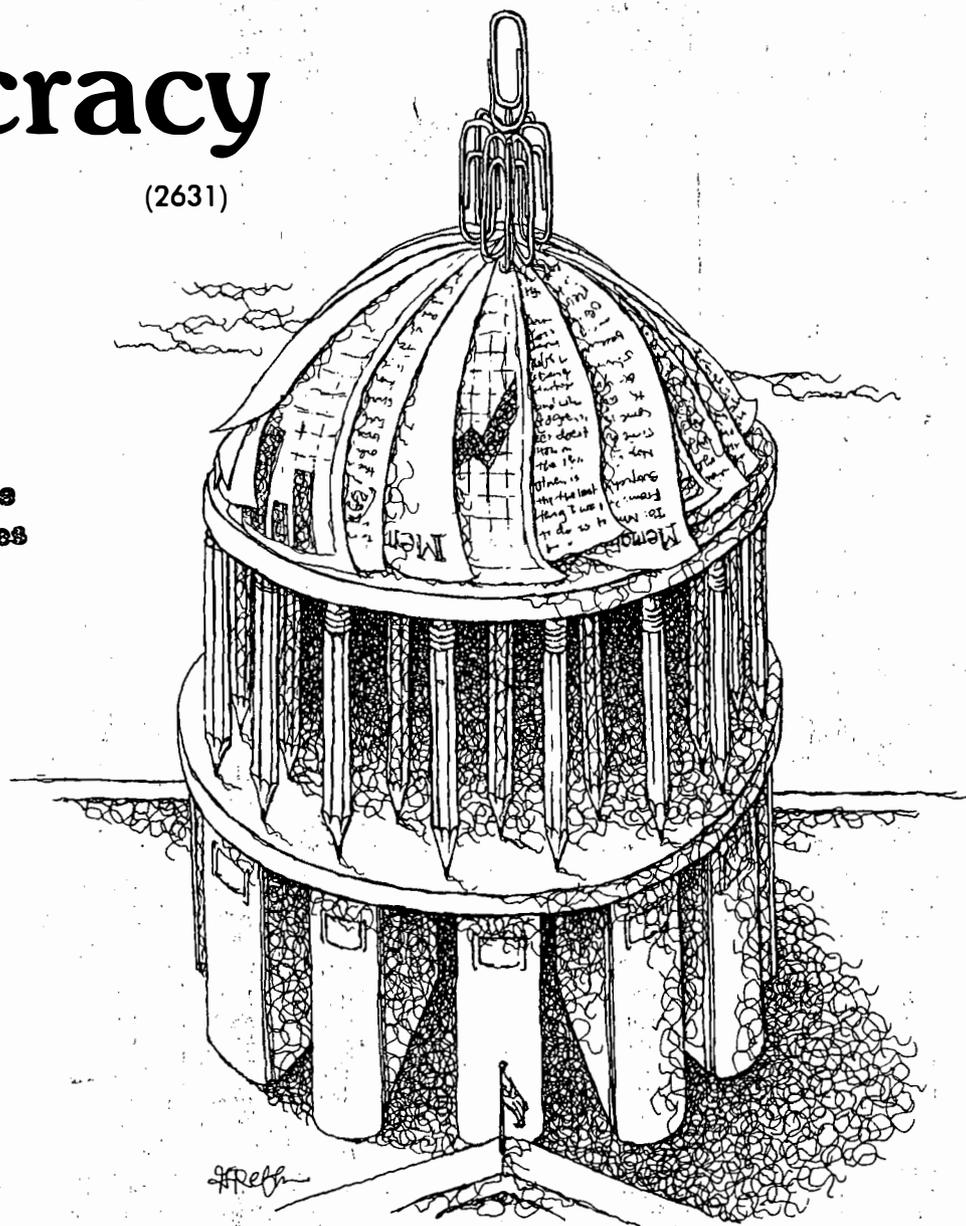
**Congressional  
Bureaucracy**

(2631)

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**Future of  
Nuclear  
Power**

(2663)



THE WHITE HOUSE  
WASHINGTON

11/26/79

Secretary Miller

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: Charlie Schultze

~~CONFIDENTIAL~~

8221

DECLASSIFIED  
E.O. 12958, SEC. 3.4(b)  
WHITE HOUSE GUIDELINES, FEB. 24, 1992  
BY Jay DATE 9/18/00

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
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<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

<input checked="" type="checkbox"/>	<del>ADMIN CONFID</del>
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

ACTION  
FYI

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	TORRES
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WISE

THE WHITE HOUSE  
WASHINGTON

11/14/79

Mr. President:

The attached memo has not  
yet been circulated.

Rick

~~CONFIDENTIAL~~

To Bill  
cc Charlie  
J



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

November 14, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made  
for Preservation Purposes**

From: G. William Miller *Bill*  
Charlie Schultze *CS*

Subject: Economic Policy for 1980; Some New Ideas

Last Saturday, the two of us, together with Lloyd Cutler, met with a small group of outside economists: Al Sommers, Chief Economist for the Conference Board; Bob Solow, Professor of Economics at MIT; and Art Okun of Brookings. We examined the prospects for inflation, unemployment, and the oil market over the next several years and discussed the pros and cons of available policy alternatives, including a number of radical departures from conventional policy.

While there were some minor differences of emphasis, the group reached a unanimous set of conclusions.

1. The economic and energy outlook

While it is conceivable that a combination of good breaks could ease the oil supply-demand situation next year, the greater likelihood is for a supply-demand balance kept tight by production cutbacks in producer countries, and leading to large oil price increases. The possibility of an internal breakdown in Iran, and a cutoff of 3 mbd of Iranian exports to the world cannot be completely dismissed. (Note: This memo predates your decision to cut off importation of Iranian crude.)

Under the best budgetary and monetary policies, inflation and unemployment will both be far too high over the next several years. Even if oil price increases are moderate, inflation will remain at the top of the single-digit range, while unemployment will average a good bit higher than at present. There is nothing in sight which promises to lower the underlying rate of inflation significantly below its current 8-1/2 to 9 percent range; and large oil price increases could perpetuate double-digit inflation.

Classified by G. William Miller  
 Declassify  Review  
Declassification on Nov. 14, 1985

~~CONFIDENTIAL~~

*Jay 9/18/80*

## 2. Oil policy

A. The United States should take whatever action is necessary to reduce 1980 oil imports by 1,000,000 b/d below currently expected levels. The target and the necessary actions to reach it should be announced as soon as possible. They can legitimately be presented as a response to the increased awareness of severe political instability among the oil producing countries. It is a logical follow up to the cutoff of Iranian crude.

- ° If at all possible the import reduction goal should be reached principally by a gasoline rationing scheme (that includes "white market" sale of ration tickets). In this way, the reduction of imports will not put additional upward pressure on inflation. If the recently enacted rationing law is not flexible enough, new legislation should be submitted. Perhaps this could be in the form of a single amendment.
- ° If DOE cannot inaugurate rationing quickly, then immediate consideration should be given to mandatory interim measures -- such as the use of numbered or colored car stickers that would prohibit driving a vehicle one day per week.
- ° As a less desirable alternative, in case rationing is found to be impossible, a stiff tax should be levied on gasoline, with the proceeds recycled in the form of general or payroll tax reductions. This, of course, would require Congressional action and would have inflationary side effects.

B. Speed is essential. Relatively drastic measures, that may be accepted as a demonstration of national will in the face of the Iranian situation, may bog down in parochial disputes once that situation is behind us.

C. The United States should seek cooperation of other OECD members in setting and reaching targets of their own for additional oil import reductions.

D. Once the windfall profits tax is passed the Administration should consider asking the Congress for a windfall tax on oil company and distributor margins. Price controls -- mandatory

or voluntary -- on gasoline and heating oil don't make much sense if we want to promote conservation. But political and equity considerations lead to the same kind of arguments for a windfall tax with respect to product margins as they do with respect to crude oil.

### 3. Overall economic policy

Relatively cautious and restrained budgetary and monetary policies will be needed to prevent an acceleration in the underlying wage-price spiral. But even if successful, such policies will not significantly lower the current underlying rate of inflation, and do entail a long period of higher unemployment.

A. To deal with this problem a strong tax-based set of price and wage standards should be introduced. Specifically:

- Accelerated depreciation or other investment-oriented tax cuts should be made available to firms who certify that they are observing the standards.
- Detailed provisions relating to the standards need not be written into the tax code; CWPS would spot check compliance with the certificates, and its determination would be final (subject, of course, to judicial review).
- Two alternative forms of the approach should be examined:
  - (i) Firms must agree only to observe the price standards, but the price standards should be written so that any wage increases in excess of the wage standards can't be passed on in higher prices (i.e., we say to labor and management: "You can bargain to your heart's content over who gets the boodle -- but you can't take it out of the consumer's hide"). This has the advantage of letting labor bargain for a bigger share of the pie, while avoiding the situation where labor and management join to boost both wages and prices.

- (ii) Firms must agree to observe both the price and wage standards. This approach is more likely to arouse labor opposition, but it does avoid the situation in which a company with swollen profits grants, and absorbs, excessive wage increases that form a pattern for other above-standard settlements.

B. A payroll tax reduction, coupled with some investment-oriented tax reductions, should be proposed in the 1981 budget. All of the participants believed that the factors depressing the economy are strong enough to warrant such measures, especially since the payroll tax reduction also lowers costs and prices. Tying part of the tax reduction to observance of the standards would also give it an anti-inflationary cast. But they also pointed out that the Administration faced a possible dilemma: the temporary strength in the economy might continue for the next several months, so that a 1981 budget would have to be presented based on the forecast, not the fact, of a recession. All of the participants nevertheless felt we should propose a moderate tax reduction along the lines outlined above. It should not be presented as an urgent economic stimulus, but part of a restructuring of the tax system in an anti-inflationary direction.

#### 4. Further development of these ideas

It is proposed that these ideas now be explored with the EPG, and DOE as appropriate, and any outcome be included in recommendations to you.

*Please do so*  
*J*

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